

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA

IN RE: . Case No. 08-35653(KRH)
CIRCUIT CITY STORES, INC., .
Debtor. . 701 East Broad Street
. Richmond, VA 23219
. January 28, 2010
. 11:00 a.m.

TRANSCRIPT OF HEARING
BEFORE HONORABLE KEVIN R. HUENNEKENS
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

For Debtor: McGuire Woods LLP
By: DOUGLAS FOLEY, ESQ.
9000 World Trade Center
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1 COURT CLERK: In the matter of Circuit City Stores,
2 Incorporated, hearing on Items 1 through 26 as set out on
3 debtor's agenda.

4 MR. FOLEY: Good morning, Your Honor. Doug Foley
5 with McGuire Woods on behalf of Circuit City. With me in the
6 courtroom today is Michelle Mozier, the principal financial
7 officer.

8 Your Honor, we have 23 items on the agenda, but it
9 should be very quick. As Your Honor is aware, Item Number 23
10 which is plan confirmation which was originally scheduled for
11 today has been adjourned and re-noticed for February 11th at
12 this point in time at 11 a.m., and so that's why the courtroom
13 is empty.

14 Your Honor, with respect to the other items on the
15 agenda they have either been resolved or we're still working to
16 try to resolve them in one form or fashion. And I will go
17 through them in order if it pleases the Court.

18 Item Number 1 is the Chalifoux motion for late filed
19 proof of claim. That matter has been resolved and can be
20 removed from the docket. Item Number 2 which is Newport News'
21 motion for payment of an administrative tax claim, we have also
22 resolved that matter and it can be removed from the docket.

23 Item Number 3 which is Columbus Dispatch's motion for
24 an administrative claim, we've also resolved that one and it
25 can be removed from the docket. Item Number 4, Your Honor, is

1 the motion by Booth for relief from the automatic stay. This
2 relates to an general unsecured claim. We've also resolved
3 that one and it can be removed from the docket.

4 Item Number 5, Your Honor, is our longstanding claims
5 trading sell-down procedures motion which we have been tracking
6 along with the confirmation hearing. So, we would ask that
7 that be adjourned to the February 11th, hearing date 11.

8 Items Number 6 and 7, these are the Motorola and
9 General Instruments' motions for administrative claim under
10 503(b)(9). Your Honor, they had agreed to adjourn those
11 motions until the February 24th omnibus hearing date at 2 p.m.

12 Item Number 8, Your Honor, this is the Sony Pictures'
13 motion. We are waiting for a counter counteroffer from Sony
14 with respect to some settlement discussions that we are in with
15 them. Paul Black who is their local counsel in Roanoke asked
16 to carry the matter beyond the February dates because he was
17 unavailable. So, that one they have requested and we've agreed
18 to adjourn to the March 8th hearing date which I believe is at
19 11 a.m.

20 Your Honor, Item Number 9 is the Sennheisser motion
21 for a late filed proof of claim. They have agreed to adjourn
22 that matter until February 24th at 2 p.m. As Your Honor is
23 aware we had an evidentiary hearing on the EDC late claim
24 motion and we have -- we are preparing findings of -- proposed
25 findings of fact and conclusions of law for the Court's

1 consideration and we expect to submit that by close of business
2 tomorrow. And then as soon as Your Honor issues your ruling,
3 we will proceed to negotiate with the remaining similarly
4 situated parties that have late filed claims and we will try to
5 see if we can't resolve those before the February 24th hearing
6 date.

7 THE COURT: Very good.

8 MR. FOLEY: Your Honor, Item Number 10 which is
9 SouthPeak's motion for an administrative claim, they have
10 agreed to adjourn their matter until February 24th at two.

11 Item Number 11 which is the motion by Vertis for a
12 late filed proof of claim. They've agreed to adjourn their
13 motion until February 24th at 2 p.m.

14 Number 12 is the Town Square motion for a late filed
15 proof of claim. They've also agreed to adjourn their matter
16 until February 24th at 2.

17 Item Number 13, Your Honor, is Slam Brands' motion
18 for an administrative claim. They have agreed to adjourn their
19 matter until February 24th at 2 p.m.

20 Item Number 14 which is Miner Fleet's late -- motion
21 for a late filed administrative claim. They've agreed to
22 adjourn their matter until February 24th at 2.

23 Item Number 15, Your Honor, is the motion by Ashley
24 Isaac's for a late filed proof of claim. We received her
25 consent yesterday to adjourn her motion until February 24th

1 at 2.

2 Item Number 16, Your Honor, is the motion by
3 OmniMount to get out from under a previously issued order with
4 respect to their claim. We are in the process of negotiating a
5 settlement with them, Your Honor, and we have made a counter
6 proposal to them. We are waiting for their response. They
7 have -- they think they will be able to get approval of the
8 counter proposal, but in the interim they have requested that
9 their motion be adjourned until the February 24th hearing date
10 at 2.

11 Item Number 17, Your Honor, is our motion to cancel
12 certain surety bonds with Safeco. As Your Honor recalls there
13 was an objection interposed by the U.S. Attorney's Office.
14 We've been working with them and we're waiting for a response
15 to a resolution we've proposed as to the government's
16 objection. So, we would ask that that matter be adjourned to
17 the February 24th hearing date at 2.

18 Item Number 18, Your Honor, and 22, these are
19 Madcow's motion and notice for an administrative claim. They
20 have agreed to adjourn their matter until February 11th at
21 11 a.m. And I'm looking into whether or not these are really
22 separate matters or whether one is just a notice and one is the
23 underlying motion, but we'll correct that on the next agenda,
24 Your Honor, before we file it, if that's the case.

25 THE COURT: Very good.

1 MR. FOLEY: Item Number 19 is the motion by John
2 Raleigh for a late filed proof of claim. He has agreed, as the
3 others have, to adjourn his motion until February 24th at 2.

4 Item Number 20 on the agenda is Site A's motion for a
5 late filed proof of claim. Again, they have agreed to adjourn
6 until February 24th at 2 p.m.

7 Item Number 21, Your Honor, is the Ryan motion, a
8 motion by Ryan to compel assumption of their contract. We have
9 strenuously urged them to withdraw this motion since they --
10 our view is, they can only compel us to assume or reject and we
11 intend to do that as part of plan confirmation. But, in the
12 meantime, while they are considering withdrawing this motion,
13 they have requested that it be adjourned until February 11th at
14 11, which tracks currently the confirmation date. But, we are
15 going to try to see if we can't get that one removed from the
16 docket before then.

17 THE COURT: All right. What does the plan provide
18 with regard to that contract?

19 MR. FOLEY: We will, in all likelihood, be rejecting
20 it and I will be able to have a time period to file a proof of
21 claim with respect to that rejection.

22 THE COURT: Very good.

23 MR. FOLEY: That's -- those are all the items on the
24 matter, Your Honor, and we appreciate Your Honor's time this
25 morning.

1 THE COURT: Do we have an adversary proceeding at the
2 very end? Well, I guess, what about Matter 24, the Pioneer
3 Electric?

4 MR. FOLEY: Yes. I believe that one -- yes, those --
5 I apologize for skipping those. Pioneer and Samsung, these are
6 the 3020 motions for confirmation deposits. Your Honor, they
7 have both agreed to track the motions along with the
8 confirmation hearing, and on the agenda they will obviously be
9 noticed prior to the confirmation hearing. And under that
10 proviso they have both agreed to continue to track these
11 motions along with the confirmation hearing date. I apologize
12 for skipping those, Your Honor.

13 THE COURT: Okay, so 24 and 25 have been continued
14 then to February 11th?

15 MR. FOLEY: February 11th at 11.

16 THE COURT: All right. And then Number 26 is the
17 adversary complaint.

18 MR. FOLEY: It is, Your Honor. And we've been in --
19 we are in discussions with Active Media's counsel, Harvey
20 Stricken in New York and working through a scheduling order and
21 they've agreed to adjourn the pretrial conference also until
22 February 11th at 11.

23 THE COURT: All right. And then we'll have a
24 scheduling order agreed to by then.

25 MR. FOLEY: We hope to do so, yes, Your Honor.

1 THE COURT: All right. Very good.

2 MR. FOLEY: Hopefully -- or we will resolve the
3 matter, but in all likelihood we will be handing up a
4 scheduling order on that day.

5 THE COURT: Well, if you can resolve the matter, all
6 the better.

7 MR. FOLEY: That's what we're trying to do with all
8 these claims.

THE COURT: Excellent. All right. Then that takes care of all the business we have this morning in Circuit City?

11 MR. FOLEY: Yes, Your Honor. Thank you very much.

12 THE COURT: All right. Thank you.

13 * * * * *

C E R T I F I C A T I O N

15 I, LYNN SCHMITZ, court approved transcriber,
16 certify that the foregoing is a correct transcript from
17 the official electronic sound recording of the proceedings
18 in the above-entitled matter, and to the best of my
19 ability.

20

21 /s/ Lynn Schmitz

22 || LYNN SCHMITZ

23 J&J COURT TRANSCRIBERS, INC. DATE: February 10, 2010

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